

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

## MEMORANDUM

TO: Norfolk County Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 17, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made in equal installments on July 1 and January 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects the adoption of a fully generational mortality assumption and a reduction in the investment return assumption from 8.25% to 8.0%. The schedule also reflects the adoption of other demographic assumptions based on a recent experience study performed by your actuary. Although the revised assumptions are less conservative than the current standard PERAC assumptions, which we continue to believe are reasonable, we have not performed a recent experience analysis for local systems to compare our findings with the results of your study.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



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## Appropriation Forecast

Fiscal Year		Employee	Employer	Amortization	Employer	Employer	
		Employee	Normal Cost	Payments	Total Cost	Total Cost	Funded
<u>Ending</u>	<u>Payroll*</u>	<u>Contribution</u>	<u>with Interest</u>	<u>with Interest</u>	<u>with Interest</u>	<u>% of Payroll</u>	<u>Ratio %**</u>
2017	\$267,454,300	\$23,542,460	\$12,244,054	\$47,383,946	\$59,628,000	22.3	62.1
2018	\$279,489,744	\$24,817,532	\$12,566,603	\$52,603,554	\$65,170,157	23.3	66.4
2019	\$292,066,782	\$26,159,687	\$12,893,387	\$58,334,046	\$71,227,433	24.4	70.2
2020	\$305,209,787	\$27,572,381	\$13,224,134	\$60,638,714	\$73,862,848	24.2	73.7
2021	\$318,944,228	\$29,059,244	\$13,558,540	\$63,037,233	\$76,595,773	24.0	77.0
2022	\$333,296,718	\$30,624,090	\$13,896,263	\$65,533,554	\$79,429,817	23.8	80.0
2023	\$348,295,070	\$32,270,927	\$14,236,925	\$68,131,795	\$82,368,720	23.6	82.9
2024	\$363,968,348	\$34,003,967	\$14,580,106	\$70,836,257	\$85,416,363	23.5	85.6
2025	\$380,346,924	\$35,827,631	\$14,925,344	\$73,651,424	\$88,576,768	23.3	88.2
2026	\$397,462,536	\$37,746,566	\$15,272,129	\$76,581,979	\$91,854,108	23.1	90.7
2027	\$415,348,350	\$39,765,655	\$15,619,901	\$79,632,810	\$95,252,711	22.9	93.1
2028	\$434,039,025	\$41,890,025	\$15,968,046	\$82,809,015	\$98,777,061	22.8	95.5
2029	\$453,570,781	\$44,125,063	\$16,315,894	\$10,769,427	\$27,085,321	6.0	97.7
2030	\$473,981,467	\$46,476,427	\$16,662,713	\$2,090,897	\$18,753,610	4.0	99.9
2031	\$495,310,633	\$48,950,061	\$17,007,706	\$2,174,533	\$19,182,239	3.9	99.9
2032	\$517,599,611	\$51,552,207	\$17,350,006	\$0	\$17,350,006	3.4	100.0
2033	\$540,891,594	\$54,289,422	\$17,688,673	\$0	\$17,688,673	3.3	100.0
2034	\$565,231,715	\$57,168,593	\$18,022,686	\$0	\$18,022,686	3.2	100.0
2035	\$590,667,143	\$60,196,954	\$18,350,941	\$0	\$18,350,941	3.1	100.0
2036	\$617,247,164	\$63,382,101	\$18,672,242	\$0	\$18,672,242	3.0	100.0
2037	\$645,023,286	\$66,732,012	\$18,985,300	\$0	\$18,985,300	2.9	100.0
2038	\$674,049,334	\$70,255,066	\$19,288,722	\$0	\$19,288,722	2.9	100.0
2039	\$704,381,554	\$73,960,063	\$19,581,007	\$0	\$19,581,007	2.8	100.0
2040	\$736,078,724	\$77,288,266	\$20,462,152	\$0	\$20,462,152	2.8	100.0
2041	\$769,202,267	\$80,766,238	\$21,382,949	\$0	\$21,382,949	2.8	100.0
2042	\$803,816,369	\$84,400,719	\$22,345,182	\$0	\$22,345,182	2.8	100.0
2043	\$839,988,105	\$88,198,751	\$23,350,715	\$0	\$23,350,715	2.8	100.0
2044	\$877,787,570	\$92,167,695	\$24,401,497	\$0	\$24,401,497	2.8	100.0
2045	\$917,288,011	\$96,315,241	\$25,499,565	\$0	\$25,499,565	2.8	100.0
2046	\$958,565,971	\$100,649,427	\$26,647,045	\$0	\$26,647,045	2.8	100.0
2047	\$1,001,701,440	\$105,178,651	\$27,846,162	\$0	\$27,846,162	2.8	100.0
2048	\$1,046,778,005	\$109,911,690	\$29,099,239	\$0	\$29,099,239	2.8	100.0

\* Calendar basis

\*\* Beginning of Fiscal Year